

292.338 Investment adviser representatives -- Continuing education requirements.

- (1) As used in this section:
 - (a) "Approved IAR continuing education content" means the materials, written, oral, or otherwise:
 1. That have been approved by NASAA or its designee; and
 2. Which make up the educational program provided to an investment adviser representative under this section;
 - (b) "Authorized provider" means a person that NASAA or its designee has authorized to provide continuing education content required by this section;
 - (c) "Credit" means a unit that has been designated by NASAA or its designee as at least fifty (50) minutes of educational instruction;
 - (d) "Ethics and professional responsibility content" means approved IAR continuing education content that addresses an investment adviser representative's ethical and regulatory obligations;
 - (e) "FINRA" means the Financial Industry Regulatory Authority;
 - (f) "Home state" means a state, other than Kentucky, in which the investment adviser representative has his or her principal office and place of business;
 - (g) "NASAA" means the North American Securities Administrators Association or a committee designated by its board of directors;
 - (h) "Products and practice content" means approved IAR continuing education content that addresses an investment adviser representative's continuing skills and knowledge regarding financial products, investment features, and practices in the investment advisory industry; and
 - (i)
 1. "Reporting period" means one (1) twelve (12) month period as determined by NASAA.
 2. An investment adviser representative's initial reporting period commences the first day of the first full reporting period after the individual is registered, or required to be registered, under this chapter.
- (2) Except as otherwise provided in this section, every registered investment adviser representative shall complete the following continuing education requirements each reporting period:
 - (a) Six (6) credits of ethics and professional responsibility content offered by an authorized provider, with at least three (3) hours covering the topic of ethics; and
 - (b) Six (6) credits of products and practice content offered by an authorized provider.
- (3) An investment adviser representative shall be considered in compliance with subsection (2)(b) of this section for each applicable reporting period if:
 - (a) The investment adviser representative:
 1. Is also registered as an agent of a FINRA-member broker-dealer; and
 2. Complies with FINRA's continuing education requirements; and
 - (b) FINRA's continuing education content meets all of the following baseline

criteria, as determined by NASAA:

1. The content focuses on compliance, regulatory, ethical, and sales practices standards;
 2. The content is derived from:
 - a. State and federal investment advisory statutes, rules, and regulations;
 - b. Securities industry rules and regulations; or
 - c. Accepted standards and practices in the financial services industry; and
 3. The content requires that its participants demonstrate proficiency in the subject matter of the educational materials.
- (4) Continuing education credits completed by an investment adviser representative shall be considered to comply with subsection (2) of this section for each applicable reporting period if:
- (a) The investment adviser representative:
 1. Is not required to pass a written examination by administrative regulation or order promulgated pursuant to KRS 292.331(3);
 2. Completes continuing education credits necessary for maintaining, and remaining in good standing to hold, a professional designation identified by the commissioner by administrative regulation or order; and
 3. Is required to complete continuing education credits to maintain, and remain in good standing to hold, the professional designation identified by the commissioner by administrative regulation or order; and
 - (b) The continuing education content provided by the credentialing organization for the professional designation identified by the commissioner by administrative regulation or order is approved IAR continuing education content.
- (5) An investment adviser representative registered or required to be registered in Kentucky who is registered as an investment adviser representative in the individual's home state shall be considered in compliance with this section if:
- (a) The investment adviser representative's home state has continuing education requirements that are at least as stringent as the NASAA Model Rule on Investment Adviser Representative Continuing Education; and
 - (b) The investment adviser representative is in compliance with the home state's investment adviser representative continuing education requirements.
- (6) Every investment adviser representative shall be responsible for ensuring that the authorized provider reports the investment adviser representative's completion of the approved IAR continuing education content.
- (7) An investment adviser representative who completes continuing education credits in excess of the amount required for the reporting period may not carry forward excess credits to a subsequent reporting period.
- (8) (a) An investment adviser representative who fails to comply with this section by the end of a reporting period shall:

1. Be subject to registration renewal as "CE inactive" at the close of the calendar year in Kentucky; and
 2. Remain "CE inactive" until the investment adviser representative completes and reports all required continuing education credits for all reporting periods as required by this section.
- (b) An investment adviser representative who is "CE inactive" at the close of the next calendar year shall not be eligible for:
1. Investment adviser representative registration; or
 2. Renewal of investment adviser representative registration.
- (9) A person who was previously registered under this chapter as an investment adviser representative and became unregistered shall complete approved IAR continuing education content for all reporting periods that occurred between the time that the investment adviser representative became unregistered and the time the person became registered again under this chapter unless the investment adviser representative makes a subsequent application for registration and complies with any examination requirement under KRS 292.331(3).
- (10) The commissioner may, in his or her discretion, waive any requirements of this section.

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